



U.S. Small Business Administration Disaster Assistance

2008 Virginia Emergency Management Conference



March 11-14, 2008
Hampton Roads Convention Center
Hampton, VA

GEOGRAPHIC AREA

Field Operations Center East

Atlanta, GA

Frank Skaggs –Director

Brenda K. Ballew – Deputy Director

U.S. Small Business Administration

Office of Disaster Assistance

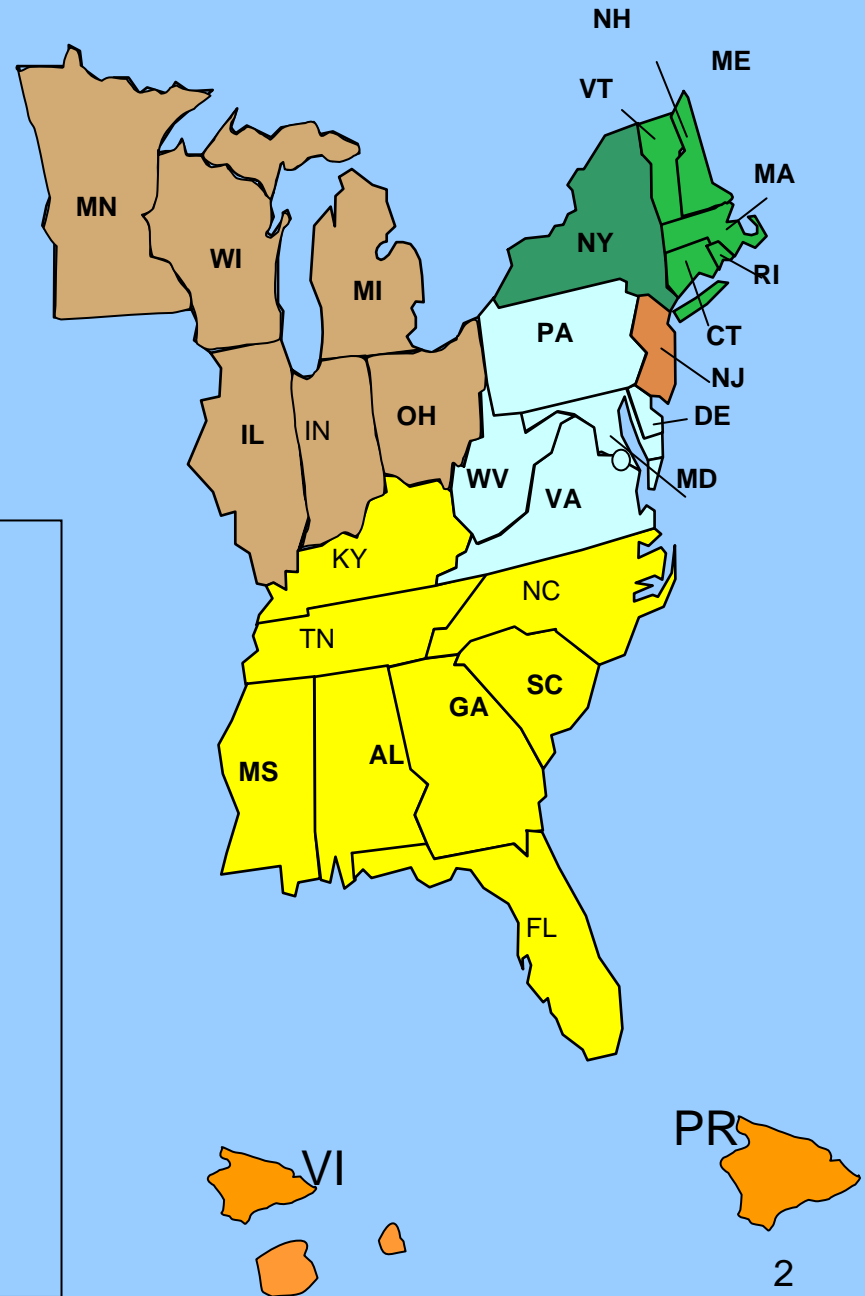
Field Operations Center East

101 Marietta Street NW

Suite 700

Atlanta, GA 30303

404-331-0333

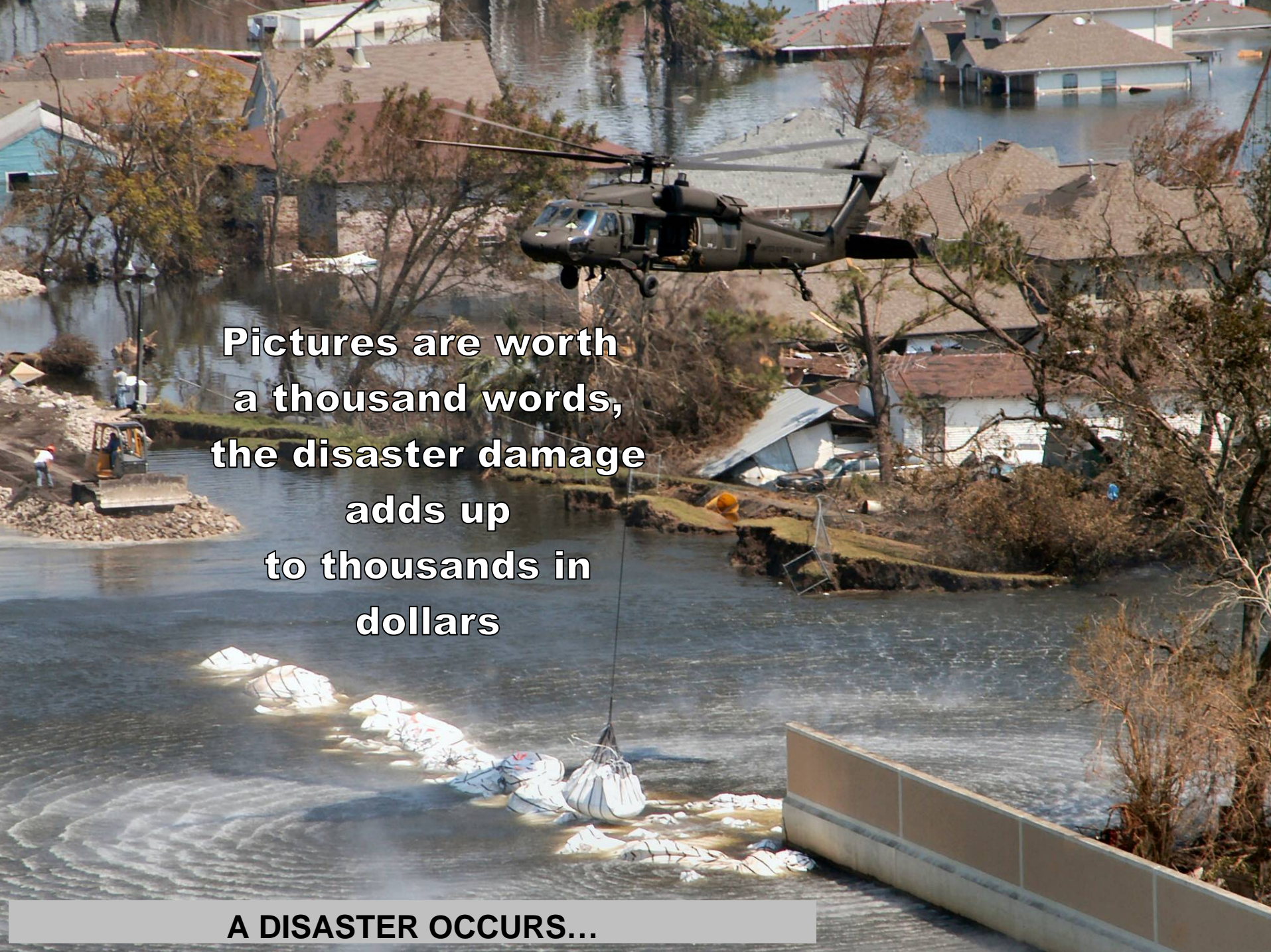




Mission Statement

Through its Office of Disaster Assistance (ODA), the SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters and businesses following a disaster. Financial assistance is available in the form of low-interest, long-term loans.

How does it all begin....what triggers a disaster declaration?

A black helicopter is shown in flight, lifting a large white sandbag into a flooded residential area. The helicopter is positioned in the upper center of the frame. Below it, a line of white sandbags is being dropped into the water. In the background, several houses are partially submerged in floodwater. A small yellow excavator is visible on the left side of the image. The overall scene depicts a disaster response operation.

**Pictures are worth
a thousand words,
the disaster damage
adds up
to thousands in
dollars**

A DISASTER OCCURS...

What if the Magnitude of the Event Does
Not Meet the Threshold for a Presidential
(FEMA) Declaration?

The State can request an SBA Preliminary
Damage Assessment Survey.





SBA Preliminary Damage Assessment Survey

- SBA will conduct the Preliminary Damage Assessment Survey with State and Local Officials for physical damages only.
- The PDA results will identify property with “major or minor” damage.
- FEMA will not be involved.





Primary Point of Contact For Preliminary Damage Assessment Surveys

Ron Bowman - Loss Verification Supervisor

ronald.bowman@sba.gov

404-331-0333, Ext. 2113 (Office)

404-909-1553 (Cell)

What Does SBA Need Prior to Preliminary Damage Assessment Survey?

- List of damaged properties.
- Sampling of insurance coverage.
- Identify if occupant is a renter or owner?
- Identify if the property is primary or secondary (vacation) home, or rental property.
- Provide a brief damage description.
- Provide an estimate of dollar loss (physical).

SBA Definition Of Major Damage

A home, business, or non-profit institution that sustained a loss of 40 percent or more of their estimated pre-disaster fair market value.



The Loss is Evaluated Using Any One of the Following Three Formulas:

- 1. Damage to structure versus the fair market value of the structure only.**
- 2. Damage to land versus the fair market value of the land only.**
- 3. Damage to non-real property versus the fair market value of the non-real (personal) property.**



**The SBA addresses the uninsured damage to structure versus the fair market value of the structure only.
(Not including detached structures)**



Damage to land versus the fair market value of the land and improvements only.



Of course, manufactured housing is typically under insured.

Business Physical Losses

Business losses are also assessed during a survey.

Losses can be Real Property and Non Real Property such as:



**Inventory
Furniture and Fixtures
Machinery and Equipment**

SBA Information From Surveys

SBA may provide a summary of our findings to State Emergency Management Officials for inclusion in their recommendation and report to the Governor.

This summary includes the number of Homes, Businesses, and Non-Profit Institutions that sustained major or minor damage by SBA's definition and a dollar estimate of the aggregate loss.

The Governor May Request A SBA Administrative (SBA Agency) Disaster Declaration



COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine
Governor

August 15, 2006

Mr. Frank Skaggs, Director
U.S. Small Business Administration
Field Operations Center – East
One Baltimore Place
Suite 300
Atlanta, GA 30308

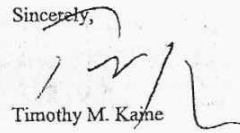
Dear Mr. Skaggs:

On June 25, 2006, severe rain created a flash flood in the neighborhood of Huntington in Fairfax County, Virginia. There was additional flooding in other sections of Fairfax County and many other localities in Virginia. On June 30, 2006 I made a request to President Bush for an Individual Disaster Declaration and a Public Assistance Disaster Declaration. While President Bush approved a Public Assistance Disaster Declaration, he denied my request for an Individual Disaster Declaration. On August 11, 2006, our appeal for an Individual Disaster Assistance Declaration was denied by FEMA.

I am now requesting a SBA Disaster Declaration for Fairfax County, the independent city of Alexandria, and the contiguous counties to Fairfax. I certify that there are at least twenty-five homes and/or businesses in Fairfax County and the City of Alexandria that have sustained a minimum of forty percent uninsured loss. This loss was documented by the SBA team that participated in the joint Federal-State Preliminary Damage Assessment for Individual Assistance on July 6, 2006. The SBA team found 45 homes in Fairfax County and 35 in the City of Alexandria that met the criteria.

You may contact Michael Cline, state coordinator of emergency management, at (804) 270-2335, or by pager through the state Emergency Operations Center at (804) 674 2400, if you have questions regarding information contained in this letter. Your favorable consideration of my request will be greatly appreciated. I look forward to your earliest possible reply.

Sincerely,


Timothy M. Kaine

TMK:mmc

c: Michael Cline, State Coordinator of Emergency Management

Letter from Governor received by FOCE Director or Deputy Director should include:

- Statement that State will not request FEMA assistance
- Date of occurrence
- Type of disaster (flood, tornadoes, etc)
- List of affected county/counties
- Summary of survey results
- Point of contact

The FOCE Director/Deputy Director forwards recommendation to Office of Disaster Assistance for a decision.



Administrative (Agency) Declaration

**SBA's Administrator
may issue an SBA-only
declaration based on at least
25 homes and/or businesses that
sustained at least 40%
uninsured property damage.**





Once the disaster is declared, SBA's Field Operations Center will contact and coordinate with State and Local Officials to establish and maintain SBA Disaster Loan Outreach Centers (DLOCs).





Small Business Administration



Following declared disasters, the U.S. Small Business Administration (SBA) *is the primary source of Federal funds for long term recovery assistance.*

SBA's Office of Disaster Assistance's goal is to help people recover from disasters and rebuild their lives by providing financial assistance to homeowners, renters and businesses.

SBA Offers Disaster Home & Personal Property Loans:



- Loans to repair or replace homes & contents
- Up to \$200,000 for homes (homeowners only)
- Up to \$40,000 for personal property (homeowners & renters)
- Loans at low rates for terms up to 30-years
- Mitigation, relocation & refinancing may be included in those loans meeting specific criteria
- The eligible loan amount is based on the damage assessment less any duplication of benefits (i.e., funds from insurance, and other sources)

SBA Also Offers Disaster Loans **To Businesses**



- **Loans to repair or replace business property and to provide working capital for eligible businesses**
- **Loans of up to \$1,500,000**
(combined total for physical and economic injury funds)
- **Low interest rates for up to 30-years**
- **Mitigation, relocation and refinancing funds are also available**



More About SBA Business Loans –

SBA establishes each loan amount based on the actual physical damage and the economic injury to each business, less any insurance including business interruption or other recovery.

The maximum loan amount is \$1.5 million for real estate, machinery and equipment, inventory, other physical losses and working capital.

This limit applies to a business and its affiliates, if any.



Economic Injury Disaster Loans

- **Purpose:**
 - To provide working capital funds to eligible non-farm small businesses to meet ordinary and necessary operating expenses and debt payments (that they could have met had the disaster not occurred) until normal operations resume.
 - Loan funds may only be used for operating expenses and for payments on debts until the business recovers, and not for long-term purposes.

Disaster Loans Help Recovery

- **Disaster losses are unexpected and create financial hardships for most disaster victims.**
- **SBA disaster loans with low interest rates and long terms make recovery affordable.**

Disaster Loans Help Recovery

- **SBA's disaster loans are a critical source of economic stimulation in disaster-ravaged communities.**
- **Disaster loans help spur employment and stabilize tax bases by protecting jobs.**

Disaster Loans Help Recovery

- **By providing disaster assistance in the form of loans, SBA helps reduce Federal disaster costs compared to other forms of assistance, such as grants.**
- **Disaster loans require borrowers to maintain appropriate hazard and flood insurance, reducing the need for future assistance.**

The SBA Disaster Program

- **Is SBA's largest direct loan program and the only SBA program for entities other than small businesses.**
- **Is administered through SBA's Office of Disaster Assistance (ODA).**

When disasters strike,
SBA is there to help you recover



For more information, visit our website:
www.sba.gov and 1-800-659-2955

Visit SBA web site at www.sba.gov and select Disaster Assistance icon





U.S. Small Business Administration

SBA
Your Small Business Resource

Programs and services to help you **start, grow and succeed**

> En Español


Search SBA

Home	SMALL BUSINESS PLANNER	SERVICES	TOOLS	LOCAL RESOURCES
About SBA				
Newsroom				
Contact				
FAQ	Manage your business from start to finish	Expand your business with programs and services	Increase your business knowledge and productivity	Support your business with a team of experts


SBA Programs

- E-NEWSLETTERS
- E-PAYMENTS
- MARKETING AND OUTREACH
- MOST REQUESTED ITEMS
- ADMINISTRATOR'S CORNER


SPOTLIGHT




Patriot Express
A new loan program for the military community...
[Read More](#)




Free Online Training
SBA offers over 25 free online courses...
[Review Courses](#)




Budgets/Plans/Reports
[SBA Proposed '08 Budget & Exec Summary](#); [FY 2007 AFR](#); Annual Reports, Strategic Plan... [Read More](#)



Disaster Assistance
SBA provides various types of loans in the event of a disaster... [More](#)



Disaster Preparedness
Important resources to help you plan should a disaster strike... [Learn More](#)



Starting a Business?
SBA's New assessment tool will help you determine if you're ready... [Learn More](#)